

AMENDED IN ASSEMBLY MAY 12, 2003

AMENDED IN ASSEMBLY APRIL 7, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 93

Introduced by Assembly Member Canciamilla

January 8, 2003

An act to add Division 30 (commencing with Section 81000) to the Water Code, relating to financing a water quality, water security, and water supply infrastructure improvement program, by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 93, as amended, Canciamilla. Safe, Clean, and Reliable Water Supply-~~Water~~ Bond Act of 2004.

Under existing law, various bond acts have been approved by the voters to provide funds for water projects, facilities, and programs.

This bill would enact the Safe, Clean, and Reliable Water Supply ~~Water~~ Bond Act of 2004 which, if adopted, would authorize, for purposes of financing a water quality, water security, and water supply infrastructure improvement program, the issuance, pursuant to the State General Obligation Bond Law, of bonds in the amount of \$~~==~~ \$7,886,000,000.

The bill would require the Secretary of State to submit the bond act to the voters at the ~~==~~ November 2, 2004, election.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Division 30 (commencing with Section 81000) is added to the Water Code, to read:

DIVISION 30. THE SAFE, CLEAN, AND RELIABLE
WATER SUPPLY BOND ACT OF 2004

~~CHAPTER 1. SHORT TITLE~~

CHAPTER 1. SHORT TITLE AND DECLARATIONS AND FINDINGS

81000. This division shall be known and may be cited as the Safe, Clean, and Reliable Water Supply Bond Act of 2004.

81000.5. In placing this measure before the voters, the Legislature hereby finds and declares that it is in the public interest to do all of the following:

(a) Provide a safe, clean, and reliable water supply to meet the needs of California residents, businesses, farms, and the environment.

(b) Maintain a high quality of life for California's growing population by investing in the state's water supply infrastructure, as well as a wide range of water management strategies, including water conservation, water recycling, and water desalinization.

(c) Provide adequate financing to develop lasting water solutions that balance the needs of the state's economy and its environment.

CHAPTER 2. DEFINITIONS

81001. Unless the context otherwise requires, the definitions set forth in this chapter govern the construction of this division.

81002. "Bay-delta" means the San Francisco Bay/Sacramento-San Joaquin Delta Estuary.

1 81003. “Board” means the State Water Resources Control
2 Board.

3 81004. “CALFED” refers to the consortium of state and
4 federal agencies with management and regulatory responsibilities
5 in the bay-delta.

6 81004.5. “California Bay-Delta Authority” means the
7 authority established pursuant to Section 79410.

8 81005. “Clean Water Act” means the federal Clean Water Act
9 (33 U.S.C. Sec. 1251 et seq.), and any amendment thereto.

10 81006. “Committee” means the Safe, Clean, and Reliable
11 Water Supply Finance Committee established by Section 81132.

12 81007. “Delta” means the Sacramento-San Joaquin Delta.

13 81008. “Department” means the Department of Water
14 Resources.

15 81009. “Financial hardship” means a community in which
16 the median annual household income is less than 65 percent of the
17 statewide median annual household income. For purposes of this
18 section, the median annual household income is the median
19 annual household income of the community based on the most
20 recent federal census.

21 81010. “Fund” means the Safe, Clean, and Reliable Water
22 Supply Bond Fund established by Section 81015.

23 81011. “Local public agency” means any city, county, city
24 and county, district, joint powers authority, or other political
25 subdivision of the state.

26 81012. “Nonprofit organization” means any corporation
27 organized under Section 501(c)(3) or 501(c)(5) of the Internal
28 Revenue Code.

29 81013. “Small community” means a community with a
30 population of 20,000 or less, a rural county with a financial
31 hardship, or a reasonably isolated and divisible segment of a
32 larger municipality where the population is 20,000 persons or less,
33 with a financial hardship.

34 81014. “Secretary” means the Secretary of the Resources
35 Agency.

36

1 *CHAPTER 3. THE SAFE, CLEAN, AND RELIABLE WATER SUPPLY*
2 *BOND FUND*

3
4 81015. *The proceeds of bonds issued and sold pursuant to this*
5 *division shall be deposited in the Safe, Clean, and Reliable Water*
6 *Supply Bond Fund, which is hereby established in the State*
7 *Treasury.*

8
9 *CHAPTER 4. SAFE DRINKING WATER PROGRAM*

10
11 *Article 1. Definitions*

12
13 81016. *Unless the context otherwise requires, the following*
14 *definitions govern the construction of this chapter:*

15 (a) “Federal act” means the federal Safe Drinking Water Act
16 (42 U.S.C. Sec. 300f et seq.), and any amendments thereto.

17 (b) “State department” means the State Department of Health
18 Services.

19 (c) “Supplier” means any person, partnership, corporation,
20 association, public agency, or other entity, including, but not
21 limited to, any Indian tribe having a federally recognized
22 governing body carrying out substantial governmental duties in
23 and powers over any area, that owns or operates a public water
24 system.

25
26 *Article 2. Safe Drinking Water State Revolving Fund*

27
28 81017. *The sum of one hundred fifty million dollars*
29 *(\$150,000,000) is hereby transferred from the fund to the Safe*
30 *Drinking Water State Revolving Fund established by Section*
31 *116760.30 of the Health and Safety Code.*

32 81018. *The money transferred to the Safe Drinking Water*
33 *State Revolving Fund pursuant to Section 81017 shall be expended*
34 *by the state department for loans and grants to suppliers for the*
35 *purposes of undertaking infrastructure improvements and related*
36 *actions to meet safe drinking water standards, in accordance with*
37 *the Safe Drinking Water State Revolving Fund Law of 1997*
38 *(Chapter 4.5 (commencing with Section 116760) of Part 12 of*
39 *Division 104 of the Health and Safety Code).*

1 81018.5. *The state department may expend funds made*
2 *available under this article to provide technical assistance to small*
3 *communities.*

4
5 Article 3. *Water Pollution Prevention and Control Program*
6

7 81019. (a) *The sum of one hundred fifty million dollars*
8 *(\$150,000,000) is hereby transferred from the fund to the*
9 *Contaminant Removal Program Account, which is hereby*
10 *established in the fund.*

11 (b) *The state department shall expend the money in the*
12 *Contaminant Removal Program Account, upon appropriation by*
13 *the Legislature to the state department, for the purposes of*
14 *providing competitive grants and low-interest loans to local public*
15 *agencies for pilot projects and demonstration projects for drinking*
16 *water disinfection using ultraviolet technology, membrane, and*
17 *ozone treatment, and for treatment and removal of any of the*
18 *following contaminants:*

19 (1) *Petroleum products, such as MTBE and BTEX.*

20 (2) *N-Nitrosodimethylamine (NDMA).*

21 (3) *Perchlorate.*

22 (4) *Radionuclides, such as radon, uranium, and radium.*

23 (5) *Pesticides.*

24 (6) *Heavy metals, such as arsenic, mercury, and chromium.*

25 (7) *Pharmaceuticals and endocrine disrupters for which public*
26 *health goals have been established by the state.*

27 (8) *Biological pathogens.*

28 (9) *Bromide*

29 81020. *Not more than 5 percent of the funds made available*
30 *pursuant to this article may be expended for administrative*
31 *purposes.*

32 81021. *For the purposes of awarding grants pursuant to this*
33 *article, the state department may require matching funds from*
34 *nonstate sources. Matching funds may include in-kind services.*
35 *The requirement for matching funds may be waived if the state*
36 *department determines that there is financial hardship. Projects*
37 *for which no matching funds are required due to financial hardship*
38 *shall meet all other eligibility criteria.*

1 81022. *The state department may expend funds made*
2 *available under Section 81019 to provide technical assistance to*
3 *small communities.*

4 81023. *The sum of ten million dollars (\$10,000,000) is hereby*
5 *transferred from the fund to the Emergency Clean Water Grant*
6 *Fund established pursuant to Section 116475 of the Health and*
7 *Safety Code for the purposes of that section.*

8
9 CHAPTER 5. *NONPOINT SOURCE POLLUTION CONTROL PROGRAM*

10
11 81023.5. *For purposes of this chapter, “eligible applicants”*
12 *means local public agencies, Indian tribes, and nonprofit*
13 *organizations.*

14 81024. (a) *Subject to Section 81025, 81026, 81027, 81028,*
15 *and 81029, the sum of one hundred eighty million dollars*
16 *(\$180,000,000) is hereby transferred from the fund to the Nonpoint*
17 *Source Pollution Control Account which is hereby established in*
18 *the fund. The board, upon appropriation by the Legislature, shall*
19 *expend the money in the account for the purposes of providing*
20 *competitive grants and low-interest loans to eligible applicants for*
21 *projects to protect the beneficial uses of water throughout the state*
22 *through the control of nonpoint source pollution.*

23 (b) *Categories of nonpoint source pollution addressed by*
24 *projects may include, but need not be limited to, silviculture,*
25 *agriculture, stormwater, mining, hydromodification, grazing,*
26 *onsite disposal systems, boatyards and marinas, and animal*
27 *feeding operations.*

28 (c) *Grants and loans shall be awarded for projects that are*
29 *consistent with all of the following:*

30 (1) *The integrated plan for implementation of the watershed*
31 *management initiative prepared by the board and the regional*
32 *boards.*

33 (2) *Regional water quality control plans.*

34 (3) *Local watershed management plans.*

35 81025. *The board may expend funds made available pursuant*
36 *to Section 81024 for competitive grants and low-interest loans to*
37 *eligible applicants for demonstration projects to prevent, reduce,*
38 *or treat nonpoint source pollution.*

39 81026. *The board may expend funds made available pursuant*
40 *to Section 81024 for grants to eligible applicants to meet*

1 requirements for nonfederal matching funds set forth in Section
2 205(j) of the Clean Water Act (33 U.S.C. Sec. 1285(j)) or Section
3 319(h) of the Clean Water Act (33 U.S.C. Sec. 1329(h)).

4 81027. (a) Of the funds transferred pursuant to Section
5 81024, the sum of twenty million dollars (\$20,000,000) is hereby
6 transferred from the account to the Salinity Management Program
7 Subaccount, which is hereby established in the account.

8 (b) The board, upon appropriation by the Legislature to the
9 board, shall expend the money in the Salinity Management
10 Subaccount for competitive grants and low-interest loans to
11 eligible applicants for the purposes of treating or eliminating
12 runoff and other impacts from irrigation of drainage-impacted
13 agricultural lands, for the acquisition of those lands, treatment
14 and subsurface agricultural runoff and drain water; and other
15 appropriate measures necessary to enhance water supply
16 reliability or improve environmental quality.

17 81028. (a) Of the funds transferred pursuant to Section
18 81024, the sum of twenty million dollars (\$20,000,000) is hereby
19 transferred from the account to the Animal Nutrients Subaccount,
20 which is hereby established in the account.

21 (b) The board, upon appropriation by the Legislature to the
22 board, shall expend the money in the Animal Nutrients
23 Subaccount, after consultation with the Department of Food and
24 Agriculture, for low-interest loans to eligible applicants, not to
25 exceed one hundred thousand dollars (\$100,000) per loan, to
26 finance the construction of projects designed to manage animal
27 nutrients from animal feeding operations, and for grants to local
28 public agencies for projects or programs that mitigate the impact
29 of animal feeding operations within their jurisdictions. These
30 funds may be used for the preparation of the related environmental
31 reviews that may be necessary under the California Environmental
32 Quality Act (Division 13 (commencing with Section 21000) of the
33 Public Resources Code) for approval of the projects.

34 81029. (a) Of the funds transferred pursuant to Section
35 81024, the sum of twenty million dollars (\$20,000,000) is hereby
36 transferred from the account to the Agricultural Water Quality
37 Subaccount which is hereby established in the account. The board,
38 upon appropriation by the Legislature to the board, shall expend
39 the money in the subaccount for competitive grants and
40 low-interest loans to eligible applicants to improve agricultural

1 water quality through monitoring, demonstration projects,
2 research, and construction for corrective actions, and to provide
3 matching funds for federal grant programs.

4 81030. Not more than 5 percent of the funds made available
5 pursuant to this chapter may be expended for administrative
6 purposes.

7 81031. For the purposes of awarding grants pursuant to this
8 chapter, the board may require matching funds from nonstate
9 sources. Matching funds may include in-kind services. The
10 requirements for matching funds may be waived if the board
11 determines that there is financial hardship. Projects for which no
12 matching funds are required due to financial hardship, shall meet
13 all other eligibility criteria.

14 81032. The board may expend funds made available under
15 this chapter to provide technical assistance to small communities.

16 CHAPTER 6. CLEAN WATER PROGRAM

17 Article 1. Clean Water Program Account

18
19
20
21 81035. For the purposes of this chapter, “account” means the
22 Clean Water Program Account established by Section 81036.

23 81036. The Clean Water Program Account is hereby
24 established in the fund. The sum of nine hundred fifty million
25 dollars (\$950,000,000) is hereby transferred from the fund to the
26 account.

27 Article 2. Definitions

28
29
30 81037. Unless the context otherwise requires, the following
31 definitions govern the construction of this chapter:

32 (a) “Eligible project” means a project or activity described in
33 paragraph (1), (2), (3), or (4) of subdivision (a) of Section 13480
34 that is all of the following:

35 (1) Necessary to prevent water pollution, reclaim water, or
36 improve water quality.

37 (2) Eligible for funds from the State Revolving Fund Loan
38 Subaccount established by subdivision (a) of Section 79121 or
39 federal assistance.

1 (3) *Certified by the board as entitled to priority over other*
2 *eligible projects.*

3 (4) *Complies with applicable water quality standards, policies,*
4 *and plans.*

5 (b) *“Federal assistance” means money provided to a*
6 *municipality, either directly or through allocation by the state,*
7 *from the federal government to construct eligible projects*
8 *pursuant to the Clean Water Act.*

9 (c) *“Municipality” has the same meaning as defined in Section*
10 *1362 of the Clean Water Act and also includes the state and local*
11 *public agencies.*

12 (d) *“Treatment works” has the same meaning as defined in the*
13 *Clean Water Act.*

14
15 Article 3. *State Revolving Fund Loan Program*

16
17 81038. *The sum of one hundred fifty million dollars*
18 *(\$150,000,000) is hereby transferred from the account to the State*
19 *Revolving Fund Loan Subaccount established by subdivision (a)*
20 *of Section 79121 and, notwithstanding Section 13340 of the*
21 *Government Code, is hereby continuously appropriated, without*
22 *regard to fiscal years, to the board for the purpose of providing*
23 *loans pursuant to the Clean Water Act, to aid in the construction*
24 *or implementation of eligible projects.*

25 81038.5. *The board may expend funds made available under*
26 *this article to provide technical assistance to small communities.*

27 81039. *Not more than 5 percent of the funds made available*
28 *pursuant to this article may be expended for administrative*
29 *purposes.*

30
31 Article 4. *Small Communities Grant Program*

32
33 81040. *The sum of one hundred million dollars*
34 *(\$100,000,000) is hereby transferred from the account to the Small*
35 *Communities Grant Subaccount established by subdivision (b) of*
36 *Section 79121 and, notwithstanding Section 13340 of the*
37 *Government Code, is hereby continuously appropriated, without*
38 *regard to fiscal years, to the board for the purpose of providing*
39 *grants to small communities for construction of eligible treatment*
40 *works.*

1 81040.5. *The board may expend funds made available under*
2 *this article to provide technical assistance to small communities.*

3 81041. *Not more than 5 percent of the funds made available*
4 *pursuant to this article may be expended for administrative*
5 *purposes.*

6
7 Article 5. *Infrastructure Rehabilitation Program*
8

9 81042. *The sum of one hundred million dollars*
10 *(\$100,000,000) is hereby transferred from the fund to the*
11 *Infrastructure Rehabilitation Subaccount, which is hereby*
12 *established in the account. Funds in the subaccount, upon*
13 *appropriation by the Legislature to the department, shall be*
14 *expended for grants to local public agencies for the purposes of*
15 *funding infrastructure rehabilitation projects consistent with*
16 *Article 5 (commencing with Section 79162) of Chapter 8 of*
17 *Division 26.*

18 81043. *The department may expend funds made available*
19 *under this article to provide technical assistance to small*
20 *communities.*

21 81043.5. *Not more than 5 percent of the funds made available*
22 *pursuant to this article may be used for administrative purposes.*

23
24 Article 6. *Water Recycling Program*
25

26 81044. *For the purposes of this article, “subaccount” means*
27 *the Water Recycling Subaccount established by Section 81045.*

28 81045. (a) *The Water Recycling Subaccount is hereby*
29 *established in the account. The sum of four hundred fifty million*
30 *dollars (\$450,000,000) is hereby transferred from the account to*
31 *the subaccount for the purposes of this article.*

32 (b) *Notwithstanding Section 13340 of the Government Code,*
33 *30 percent of the money in the subaccount is hereby continuously*
34 *appropriated, without regard to fiscal years, to the board for*
35 *low-interest loans to municipalities for the design and*
36 *construction of water recycling projects in accordance with*
37 *Section 81046.*

38 (c) *Seventy percent of the money in the subaccount, upon*
39 *appropriation by the Legislature to the board, shall be expended*
40 *by the board as follows:*

1 *(1) For competitive grants and low-interest loans to*
2 *municipalities for the design and construction of water recycling*
3 *projects in accordance with Section 81046.*

4 *(2) For plans, surveys, research, development, and studies,*
5 *undertaken by contract or otherwise, necessary or desirable to*
6 *carry out this article, and recommendations with regard thereto,*
7 *including the preparation of comprehensive statewide or areawide*
8 *studies and reports on the collection, treatment, and disposal of*
9 *waste and wastewater recycling. For the purposes of this*
10 *paragraph, "research" may include the design, acquisition,*
11 *installation, or construction of monitoring and testing equipment*
12 *and related facilities. At least one-half of 1 percent, but not more*
13 *than 1 percent, of the total amount made available pursuant to this*
14 *subdivision shall be expended for the purposes of this paragraph.*

15 *(d) Funding for grants for the purposes of paragraph (1) of*
16 *subdivision (c) shall be limited to 30 percent of eligible costs, up*
17 *to five million dollars (\$5,000,000) per project.*

18 81046. *The board may enter into agreements with*
19 *municipalities for loans and grants for projects to recycle water in*
20 *accordance with this article. Criteria to be considered by the board*
21 *in determining whether to enter into an agreement under this*
22 *article shall include, but are not limited to, all of the following:*

23 *(a) (1) Whether the project is a cost effective means to meet the*
24 *state or local water supply needs, when compared to other sources*
25 *of water supply that may be available to the municipality.*

26 *(2) Notwithstanding paragraph (1), the cost-effectiveness of a*
27 *project when compared to other sources of state or local water*
28 *supply may not be the sole factor in determining whether to enter*
29 *into an agreement.*

30 *(b) Whether the project will augment state or regional water*
31 *supplies consistent with, or otherwise will be consistent with,*
32 *criteria set forth in the water recycling construction program*
33 *priority list adopted by the board to implement the Costa-Machado*
34 *Water Act of 2000 (Division 26 (commencing with Section*
35 *79000)).*

36 *(c) The amount of funding that the municipality is requesting*
37 *under this article.*

38 81047. *An agreement entered into pursuant to Section 81046*
39 *may include those provisions determined by the board to be*
40 *necessary for the purposes of this article.*

1 81047.5. *The board may expend funds made available under*
2 *this article to provide technical assistance to small communities.*

3 81048. *Not more than 5 percent of the funds made available*
4 *pursuant to this article may be expended for administrative*
5 *purposes.*

6
7 Article 7. *Integrated Watershed Protection Program*
8

9 81052. *For purposes of this article, “eligible applicants”*
10 *includes local public agencies, Indian tribes, and nonprofit*
11 *organizations.*

12 81053. *To utilize available grant funds as effectively as*
13 *possible, overlapping or adjoining jurisdictions are encouraged to*
14 *enter into watershed management partnerships and to submit a*
15 *joint application for the purposes of receiving funds under this*
16 *article.*

17 81053.5. *The sum of one hundred ten million dollars*
18 *(\$110,000,000) is hereby transferred from the account to the*
19 *Watershed Protection Subaccount established by subdivision (a)*
20 *of Section 79075. These funds, upon appropriation by the*
21 *Legislature to the board, shall be expended by the board for*
22 *competitive grants to eligible applicants for the purposes of Article*
23 *2 (commencing with Section 79075 through Section 79083) of*
24 *Chapter 6 of Division 26 in accordance with this article.*

25 81053.7. *Notwithstanding Section 79079.5, each of the state’s*
26 *hydrologic regions shall be eligible for funding under Section*
27 *81053.5 on a competitive basis.*

28 81054. *Grants may be awarded by the board under Section*
29 *81053.5 only to eligible applicants working in collaboration with*
30 *a community-based local watershed group. The board may not*
31 *award grants for implementation projects unless there is a*
32 *completed local watershed plan and the implementation projects*
33 *are consistent with the local watershed plan and the county’s*
34 *general and specific plans.*

35 81054.5. *The board may expend funds made available under*
36 *Section 81053.5 to provide technical assistance to small*
37 *communities.*

38 81055. *Not more than 5 percent of the funds made available*
39 *pursuant to this article may be expended for administrative*
40 *purposes.*

1 81055.5. *Projects funded under Section 81053.5 shall be*
 2 *consistent with any recovery plan for coho salmon, steelhead trout,*
 3 *or other threatened or endangered aquatic species, and, to the*
 4 *extent feasible, shall seek to implement actions in those plans.*

5 81056. *The sum of forty million dollars (\$40,000,000) is*
 6 *hereby transferred from the account to the Coastal Watershed*
 7 *Salmon Habitat Subaccount established pursuant to Section*
 8 *79104.200. These funds, upon appropriation by the Legislature to*
 9 *the Department of Fish and Game, shall be expended for direct*
 10 *expenditure and for competitive grants to public agencies and*
 11 *nonprofit organizations to protect, restore, acquire, and enhance*
 12 *habitat for salmon. These funds may be expended to match federal*
 13 *funding available for those purposes.*

14
 15 CHAPTER 7. CALFED DRINKING WATER QUALITY PROGRAM

16
 17 81057. *It is the intent of the Legislature to address the*
 18 *drinking water concerns of the more than 22 million Californians*
 19 *who rely on delta water by funding projects that improve source*
 20 *water quality in the delta.*

21 81058. *The sum of one hundred million dollars*
 22 *(\$100,000,000) is hereby transferred from the fund to the CALFED*
 23 *Bay-Delta Program Drinking Water Quality Account, which is*
 24 *hereby established in the fund. Upon appropriation by the*
 25 *Legislature to the department, the department shall expend the*
 26 *funds for competitive grants and low-interest loans to local public*
 27 *agencies for projects that implement drinking water quality*
 28 *projects described in the CALFED Programmatic Record of*
 29 *Decision, dated August 28, 2000, and any amendments thereto.*

30 81059. *The department may expend funds made available*
 31 *under this chapter to provide technical assistance to small*
 32 *communities.*

33 81060. *For the purposes of awarding grants pursuant to this*
 34 *chapter, the department may require matching funds from nonstate*
 35 *sources. Matching funds may include in-kind services. The*
 36 *requirement for matching funds may be waived if the department*
 37 *determines that there is financial hardship. Projects for which no*
 38 *matching funds are required due to financial hardship, shall meet*
 39 *all other eligibility criteria.*

1 81061. *Not more than 5 percent of the funds made available*
2 *pursuant to this chapter may be expended for administrative*
3 *purposes.*

4
5 CHAPTER 8. *WATER DESALINATION PROGRAM*
6

7 81064. *For the purposes of this chapter, “account” means the*
8 *Water Desalination Account.*

9 81065. *The Water Desalination Account is hereby established*
10 *in the fund. The sum of five hundred million dollars*
11 *(\$500,000,000) is hereby transferred from the fund to the account*
12 *for the purposes of implementing this chapter.*

13 81066. *The money in the account, upon appropriation by the*
14 *Legislature to the department, shall be expended by the*
15 *department for competitive grants and low-interest loans to local*
16 *public agencies for the purpose of pilot projects, demonstration*
17 *projects, or projects for pretreatment, salt removal, and brine*
18 *management of a water supply unsuitable for its intended use, as*
19 *well as research and development activities related to those*
20 *purposes.*

21 81067. *Not more than 5 percent of the funds made available*
22 *pursuant to this chapter may be expended for administrative*
23 *purposes.*

24 81068. *For the purposes of awarding grants pursuant to this*
25 *chapter, the department may require matching funds from nonstate*
26 *sources. Matching funds may include in-kind services. The*
27 *requirement for matching funds may be waived if the department*
28 *determines that there is financial hardship. Projects for which no*
29 *matching funds are required due to financial hardship shall meet*
30 *all other eligibility criteria.*

31 81069. *The department may expend funds made available*
32 *under this chapter to provide technical assistance to small*
33 *communities.*

34
35 CHAPTER 9. *INTEGRATED REGIONAL WATER MANAGEMENT*
36 *PROGRAM*
37

38 81069.5. *It is the intent of the Legislature to encourage local*
39 *public agencies to develop coordinated and complementary*
40 *regional strategies and solutions across agency jurisdictional*



1 *boundaries to manage shared sources of local and imported water*
2 *supplies in order to improve the quality, quantity, and reliability of*
3 *those supplies.*

4 *81069.7. For purposes of this chapter “integrated regional*
5 *water management program” means a regional plan, jointly*
6 *developed and submitted by a regional water management group,*
7 *as defined in Section 10537.*

8 *81070. The sum of one billion dollars (\$1,000,000,000), upon*
9 *appropriation by the Legislature from the fund to the department,*
10 *shall be expended by the department for competitive grants and*
11 *low-interest loans to local public agencies for projects that are*
12 *part of an integrated regional water management program.*

13 *81071. Projects funded pursuant to Section 81070 shall*
14 *include one or more of the following features:*

15 *(a) Programs and projects for water supply reliability, water*
16 *conservation, and water use efficiency.*

17 *(b) Stormwater capture, storage, treatment, and management.*

18 *(c) Removal of invasive nonnative plants, the creation and*
19 *enhancement of wetlands, and the acquisition, protection, and*
20 *restoration of open-space and watershed lands.*

21 *(d) Nonpoint source pollution reduction, management, and*
22 *monitoring.*

23 *(e) Groundwater recharge and management projects.*

24 *(f) Contaminate and salt removal through reclamation,*
25 *desalting, and other treatment technologies.*

26 *(g) Water banking, exchange, reclamation, and improvement of*
27 *water quality, including water quality blending.*

28 *(h) Planning and implementation of multipurpose flood control*
29 *programs that protect property and improve water quality,*
30 *stormwater capture and percolation, or protect or improve wildlife*
31 *habitat.*

32 *(i) Watershed management planning and implementation.*

33 *(j) Demonstration projects to develop new drinking water*
34 *treatment and distribution methods.*

35 *81072. (a) In making grants and loans under this chapter, the*
36 *department shall consider projects and programs that are*
37 *consistent with existing regional planning efforts, including, but*
38 *not limited to, projects and programs that reduce the use of*
39 *Colorado River water, mitigate impacts on the Salton Sea, or*
40 *implement the Sacramento Valley Water Management Agreement,*

1 *the Westside Integrated Resources Plan, the regional water*
2 *facilities master plan of the San Diego County Water Authority, or*
3 *the Santa Ana Watershed Project.*

4 *(b) Each hydrologic region of the state shall receive at least 2.5*
5 *percent of the total amount appropriated to the department*
6 *pursuant to Section 81070.*

7 *81072.5. For the purposes of awarding grants pursuant to this*
8 *chapter, the department may require matching funds from nonstate*
9 *sources. Matching funds may include in-kind services. The*
10 *requirement for matching funds may be waived if the department*
11 *determines that there is financial hardship. Projects for which no*
12 *matching funds are required due to financial hardship shall meet*
13 *all other eligibility criteria.*

14 *81072.7. The department may expend funds made available*
15 *under this chapter to provide technical assistance to small*
16 *communities.*

17
18 *CHAPTER 10. URBAN STORMWATER PROGRAM*
19

20 *81073.5. The sum of one hundred million dollars*
21 *(\$100,000,000) is hereby transferred from the fund to the Urban*
22 *Storm Water Account, which is hereby established in the fund.*
23 *Upon appropriation by the Legislature to the board, the board*
24 *shall expend the funds in the account for competitive grants and*
25 *low-interest loans to local public agencies for projects designed to*
26 *implement stormwater reduction and prevention programs, as*
27 *required by stormwater permits issued by the state board or a*
28 *regional board.*

29 *81073.7. For the purposes of awarding grants pursuant to this*
30 *chapter, the board may require matching funds from nonstate*
31 *sources. Matching funds may include in-kind services. The*
32 *requirement for matching funds may be waived if the board*
33 *determines there is financial hardship. Projects for which no*
34 *matching funds are required due to financial hardship shall meet*
35 *all other eligibility requirements.*

36 *81073.9. The board may expend funds made available under*
37 *this chapter to provide technical assistance to small communities.*

38 *81073.11. Not more than 5 percent of the funds made*
39 *available pursuant to this chapter may be expended for*
40 *administrative purposes.*

1 CHAPTER 11. FLOOD CONTROL SUBVENTIONS AND CAPITAL OUTLAY
2 PROGRAM
3

4 Article 1. Flood Protection Program
5

6 81074. The sum of one hundred seventy-five million dollars
7 (\$175,000,000) is hereby transferred from the fund to the Flood
8 Control Subventions Subaccount established by subdivision (a) of
9 Section 79055 for expenditure by the department for the purposes
10 of subdivision (a) of Section 79057.

11 81075. The funds made available pursuant to Section 81074
12 shall be expended for the purpose of providing the state's share of
13 all capital outlay projects that were authorized by the Legislature
14 before January 1, 2001.
15

16 Article 2. Floodplain Mapping Program
17

18 81078. The sum of twenty million dollars (\$20,000,000) is
19 hereby transferred from the fund to the Floodplain Mapping
20 Subaccount established by subdivision (a) of Section 79033 for the
21 purposes of Section 79033.4.

22 81080. Not more than 5 percent of the funds made available
23 pursuant to this article may be used for administrative purposes.
24

25 Article 3. National Flood Insurance Assistance Program
26

27 81082. (a) It is the intent of the Legislature to address the
28 problem of soaring federal flood insurance rates by assisting local
29 governments to meet technical requirements for participation in
30 the National Flood Insurance Program and the National Flood
31 Insurance Program's Community Rating System.

32 (b) Notwithstanding Section 13340 of the Government Code,
33 the sum of one million dollars (\$1,000,000) is hereby continuously
34 appropriated, without regard to fiscal years, from the fund to the
35 department, as follows:

36 (1) Five hundred thousand dollars (\$500,000) to educate and
37 provide technical assistance to cities and counties regarding the
38 National Flood Insurance Program and the enrollment process.

39 (2) Five hundred thousand dollars (\$500,000) to educate and
40 provide technical assistance to cities and counties currently

1 enrolled in the National Flood Insurance Program with regard to
2 the National Flood Insurance Program's Community Rating
3 System and the implementation of activities creditable under that
4 system.

5
6 Article 4. Flood Protection Corridor Program
7

8 81084. The sum of one hundred million dollars
9 (\$100,000,000) is hereby transferred from the fund to the Flood
10 Protection Corridor Subaccount established by subdivision (a) of
11 Section 79035 for the purposes of subdivision (a) of Section 79037.

12 81085. Not more than 5 percent of the funds made available
13 pursuant to this article may be expended for administrative
14 purposes.

15 81086. For the purposes of awarding grants pursuant to this
16 article, the department may require matching funds from nonstate
17 sources. Matching funds may include in-kind services. The
18 requirement for matching funds may be waived if the department
19 determines that there is financial hardship. Projects for which no
20 matching funds are required due to financial hardship shall meet
21 all other eligibility criteria.

22 81086.5. The department may expend funds made available
23 under this article to provide technical assistance to small
24 communities.

25
26 Article 5. Delta Levee Program
27

28 81087. The sum of fifty million dollars (\$50,000,000) is
29 hereby appropriated from the fund to the department for local
30 assistance under the delta levee maintenance subventions
31 program under Part 9 (commencing with Section 12980) of
32 Division 6.

33 81087.5. The sum of one hundred fifty million dollars
34 (\$150,000,000) is hereby appropriated from the fund to the
35 department for delta levee restoration. Funds expended by the
36 department for delta levee restoration are subject to Section
37 79050.

Article 6. *Urban Stream Restoration Program*

81088. *The sum of sixty million dollars (\$60,000,000) is hereby transferred from the fund to the Urban Stream Restoration Subaccount established by subdivision (a) of Section 79060 for the purposes of Section 79062.*

81089. *For the purposes of awarding grants pursuant to this article, the department may require matching funds from nonstate sources. Matching funds may include in-kind services. The requirement for matching funds may be waived if the department determines that there is financial hardship. Projects for which no matching funds are required due to financial hardship shall meet all other eligibility criteria.*

81089.5. *The department may expend funds made available under this article to provide technical assistance to small communities.*

CHAPTER 12. *GROUNDWATER STORAGE PROGRAM*

81090. *The Legislature finds and declares that the conjunctive management of surface water and groundwater is an effective way to improve the reliability of the state's water supply.*

81090.5. *The sum of three hundred million dollars (\$300,000,000) is hereby transferred from the fund to the Conjunctive Use Subaccount established by Section 79172 for the purposes of Article 2 (commencing with Section 79170) of Chapter 9 of Division 26.*

81091. *The sum of twenty million dollars (\$20,000,000) is hereby transferred from the fund to the Local Groundwater Assistance Fund for the purposes of Part 2.78 (commencing with Section 10795) of Division 6.*

81091.5. (a) *Conjunctive use projects financed by this article may be carried out by direct recharge, in-lieu recharge, or groundwater substitution.*

(b) *For purposes of implementing this chapter, "conjunctive use projects" means the planned, coordinated management, and use of groundwater and surface water resources to increase or improve overall water supply yield and reliability.*

81092. *The definitions set forth in this section govern the construction of this chapter.*

1 (a) “Direct recharge” means conducting surface water into the
2 ground by various means, including, without limitation, spreading
3 ponds and injection wells, for the purpose of making the water
4 stored in the aquifer available for later extraction and use.

5 (b) “Groundwater substitution” means providing for the use of
6 groundwater by a user that would otherwise use surface water,
7 making the surface water available for another user or purpose
8 and providing for additional natural recharge.

9 (c) “In lieu recharge” means increasing the amount of
10 groundwater available in the aquifer by substituting water
11 supplies to a user who would otherwise pump groundwater.

12 81092.5. For the purposes of awarding grants pursuant to this
13 chapter, the department may require matching funds from nonstate
14 sources. Matching funds may include in-kind services. The
15 requirement for matching funds may be waived if the department
16 determines that there is financial hardship. Projects for which no
17 matching funds are required due to financial hardship shall meet
18 all other eligibility criteria.

19 81093. The department may expend funds made available
20 under this chapter to provide technical assistance to small
21 communities.

22 CHAPTER 13. WATER CONVEYANCE PROGRAM

23
24
25 80193.5. The sum of one hundred ten million dollars
26 (\$110,000,000) is hereby appropriated from the fund to the
27 department for the construction of water conveyance facilities
28 described in subparagraph (B) of paragraph (2) of subdivision (d)
29 of Section 79190.

30 CHAPTER 14. SURFACE WATER STORAGE STUDIES PROGRAM

31
32
33 81093.7. The sum of thirty million dollars (\$30,000,000) is
34 hereby appropriated from the fund to the department for surface
35 water storage studies, including, but not limited to, prefeasibility,
36 feasibility, environmental, and planning studies and for designs,
37 land acquisition, and other preconstruction costs. Funds
38 appropriated under this chapter for surface water storage studies,
39 and not expended at the conclusion of all necessary

preconstruction costs, may be expended by the department for the purposes of Chapter 15 (commencing with Section 81093.15).

81093.9. Project feasibility studies shall include, but not be limited to, a description of project operations; an estimate of the water supplies that the project is expected to produce under a range of hydrologic conditions; identification of environmental impacts; an estimate of the cost of the project, including planning, design, capital, operations, maintenance, and environmental mitigation; identification of public benefits; and, identification of potential project contractors by type of use.

CHAPTER 15. SURFACE WATER STORAGE PROGRAM

81093.15. The purpose of this chapter is to provide funds to assist in the construction of the State Water Resources Development System.

81094. For the purposes of this chapter, “account” means the Surface Water Storage Construction Account.

81094.5. The Surface Water Storage Construction Account is hereby established in the fund.

81094.7. The sum of two billion one hundred million dollars (\$2,100,000,000) is hereby transferred from the fund to the account for the purposes of this chapter.

81095. The money in the account, notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated, without regard to fiscal years, to the department to construct or acquire surface water storage facilities that are approved by the California Bay-Delta Authority and included as part of the integrated storage investigation conducted in accordance with the CALFED Bay-Delta Program Record of Decision, dated August 28, 2000, and any amendments thereto.

81095.2. For the purposes of this chapter, “surface water storage facilities that are approved by the California Bay-Delta Authority and included as part of the integrated storage investigation” means the following facilities or projects, including the acquisition of all lands, rights-of-way, relocations, easements, machinery, equipment, apparatus, and all necessary or convenient appurtenances:

(a) The enlargement of Shasta Reservoir.

(b) The enlargement of Los Vaqueros Reservoir.

1 (c) *In-delta storage.*

2 (d) *North-of-delta offstream storage.*

3 (e) *Upper San Joaquin River Basin storage.*

4 81095.4. (a) *The California Bay-Delta Authority shall*
5 *allocate the costs of the construction or acquisition of the surface*
6 *water storage facilities or projects described in Section 81095.2*
7 *among water supply, water quality, flood control, salinity control,*
8 *recreation, fish and wildlife and their habitat, and any other*
9 *identified use deemed appropriate for the specific project.*

10 (b) *Onsite environmental mitigation required as a condition of*
11 *the construction or acquisition of a surface water storage facility*
12 *or project shall not be credited as environmental enhancement.*

13 81095.6. *The department, subject to terms and conditions that*
14 *may be prescribed by the Legislature by statute, shall enter into*
15 *contracts for the purchase, sale, delivery, or use of water or power,*
16 *or for other services and facilities, made available by the surface*
17 *water storage facilities described in Section 81095.2 in which it*
18 *has an ownership interest. The contracts may not be impaired by*
19 *subsequent acts of the Legislature during the time when any of the*
20 *bonds authorized by this division are outstanding and the state may*
21 *sue and be sued with respect to those contracts. The contracts shall*
22 *be for a stated term and, insofar as practicable and feasible, for*
23 *the full term of the life of the general obligation bonds issued for*
24 *the purposes of this chapter. Costs allocated to nonreimbursable*
25 *purposes shall not be included in revenue derived from the*
26 *contracts.*

27 81095.8. *In carrying out this chapter, the state may enter into*
28 *a cost-sharing agreement with the federal government for any one*
29 *or all of the projects identified under this chapter, as deemed*
30 *appropriate. It is the intent of the Legislature that costs shall be*
31 *apportioned between the state and federal government in*
32 *accordance with the project benefits supported by each. The state*
33 *may do the necessary work required to ensure compliance with*
34 *federal laws and regulations in carrying out any activities under*
35 *a federal cost-sharing agreement.*

36 81095.10. *Funds made available for the purposes of Section*
37 *81095, and not expended upon completion of all necessary*
38 *construction or acquisition activities, shall revert to the fund and*
39 *be available for appropriation by the Legislature for one or more*

1 of the programs financed by this division that the Legislature
2 determines to be among the highest priorities statewide.

3
4 CHAPTER 16. WATER CONSERVATION PROGRAM

5
6 Article 1. General Provisions

7
8 81096. For the purposes of this chapter, “account” means the
9 Water Conservation Account.

10 81096.5. The Water Conservation Account is hereby
11 established in the fund.

12 81097. The sum of nine hundred million dollars
13 (\$900,000,000) is hereby transferred from the fund to the account
14 for the purposes of this chapter.

15 81098. (a) Any loan agreement entered into pursuant to this
16 chapter may include provisions determined to be necessary by the
17 department.

18 (b) Any loan agreement pursuant to this chapter shall comply
19 with Section 79154. Any grant agreement pursuant to this chapter
20 shall comply with Section 79155.

21 81099. For the purposes of awarding grants pursuant to this
22 chapter, the department may require matching funds from nonstate
23 sources. Matching funds may include in-kind services. The
24 requirement for matching funds may be waived if the department
25 determines that there is financial hardship. Projects for which no
26 matching funds are required due to financial hardship shall meet
27 all other eligibility criteria.

28 81099.5. The department may expend funds made available
29 under this chapter to provide technical assistance to small
30 communities.

31
32 Article 2. Agricultural Water Conservation Program

33
34 81100. The sum of four hundred fifty million dollars
35 (\$450,000,000) in the account, upon appropriation by the
36 Legislature to the department, shall be expended by the
37 department for grants and loans to local public agencies to aid in
38 the acquisition and construction of agricultural water
39 conservation projects in accordance with Article 3 (commencing
40 with Section 79157) of Chapter 8 of Division 26.

1 81101. *Of the funds described in Section 79157, unallocated*
2 *funds remaining on November 3, 2004, upon appropriation by the*
3 *Legislature, shall be expended by the department for the purposes*
4 *of this article.*

5
6 Article 3. *Urban Water Conservation Program*
7

8 81102. *The sum of four hundred fifty million dollars*
9 *(\$450,000,000) in the account, upon appropriation by the*
10 *Legislature to the department, shall be expended by the*
11 *department for grants and loans awarded by the department to*
12 *local public agencies for the purposes of funding urban water*
13 *conservation projects in accordance with Article 6 (commencing*
14 *with Section 79163) of Chapter 8 of Division 26.*

15
16 CHAPTER 17. *ECOSYSTEM RESTORATION PROGRAM*
17

18 81104. *One hundred million dollars (\$100,000,000) is hereby*
19 *transferred from the fund to the Ecosystem Restoration Program*
20 *Account, which is hereby established. The money in the account,*
21 *upon appropriation by the Legislature to the Department of Fish*
22 *and Game, shall be expended for ecosystem restoration program*
23 *implementation.*

24 81104.5. *Of the funds made available pursuant to Section*
25 *81104, not less than five million dollars (\$5,000,000) shall be*
26 *allocated for projects that assist farmers in integrating*
27 *agricultural activities with ecosystem restoration.*

28 81105. *Funds made available pursuant to this chapter may be*
29 *expended for independent scientific review, monitoring, and*
30 *assessment of the results or effectiveness of the project or program*
31 *expenditure.*

32 81106. *Not more than 5 percent of the funds made available*
33 *pursuant to this chapter may be used for administrative costs.*

34 81107. *Prior to acquiring real property for the purposes of*
35 *this chapter, the Department of Fish and Game shall determine*
36 *that existing public land is not available for that purpose.*
37

CHAPTER 18. THE ENVIRONMENTAL WATER ACCOUNT PROGRAM

81110. For the purposes of this chapter, “account” means the Environmental Water Account established by Section 81111.

81111. The Environmental Water Account is hereby established in the fund. The sum of five hundred million dollars (\$500,000,000) is hereby transferred from the fund to the account.

81112. (a) The money in the account, upon appropriation by the Legislature to the department, shall be expended by the department for the purposes, programs, and projects necessary to implement the Environmental Water Account as described in the CALFED Bay-Delta Program Record of Decision, dated August 28, 2000, and any amendments thereto.

(b) For the purposes of acquiring water pursuant to this chapter, the department shall give priority to the acquisition of storage capacity and water rights. All water rights acquired to implement the account shall be from willing sellers.

CHAPTER 19. FISH SCREEN ASSISTANCE PROGRAM

81113. The sum of thirty million dollars (\$30,000,000) is hereby transferred from the fund to the Fish Screen Account, which is hereby established in the fund. The Department of Fish and Game, upon appropriation by the Legislature to that department, shall expend the money in the Fish Screen Account for fish screens in accordance with the terms of the cost-sharing agreement between the United States and the State of California as required by subsection (h) of Section 3406 of the Central Valley Improvement Act (P.L. 102-575) or any subsequent agreements thereto. The funds shall be expended for the payment of costs allocated to the state for the protection and restoration of fish and wildlife resources pursuant to Section 3406 of that federal act.

CHAPTER 20. WATER SYSTEM SECURITY PROGRAM

81114. (a) The sum of one hundred million dollars (\$100,000,000) shall be available for appropriation by the Legislature, of which fifty million dollars (\$50,000,000) shall be appropriated to the department and fifty million dollars (\$50,000,000) shall be appropriated to the State Department of

1 *Health Services, for the purposes of protecting state, regional, and*
2 *local drinking water supplies and water suppliers from terrorist*
3 *attack or deliberate acts of contamination or destruction.*

4 *(b) Funds appropriated pursuant to this chapter may be*
5 *expended by the administering agency for monitoring and early*
6 *warning systems, fencing, protective structures, contamination*
7 *treatment facilities, emergency interconnections, communications*
8 *systems, and other projects designed to prevent damage to water*
9 *treatment, distribution, and supply facilities, to prevent disruption*
10 *of drinking water deliveries, and to protect drinking water supplies*
11 *from intentional contamination.*

12 *81115. (a) The administering agency shall expend funds*
13 *under this chapter for implementation measures, that, in the*
14 *judgment of the administering agency, are directly related to the*
15 *improvement of the security of the state, regional, or local water*
16 *system and the reduction of vulnerability of that system and its*
17 *customers from terrorist attacks, or intentional or deliberate acts*
18 *of contamination or destruction. Funds appropriated pursuant to*
19 *this chapter may not be expended for land or water acquisitions,*
20 *to acquire lands or water, or as mitigation for any environmental*
21 *impacts that may result from actions taken by the public agency to*
22 *improve security.*

23 *(b) At least 1 percent of the funds made available by this*
24 *chapter to each administering agency shall be expended by that*
25 *administering agency for competitive grants to local public*
26 *agencies in each hydrologic region of the state.*

27 *81116. The administering agency may expend funds made*
28 *available under this chapter to provide technical assistance to*
29 *small communities.*

30 *81117. For the purposes of awarding grants pursuant to this*
31 *chapter, the administering agency may require matching funds*
32 *from nonstate sources. Matching funds may include in-kind*
33 *services. The requirement for matching funds may be waived if the*
34 *administering agency determines that there is financial hardship.*
35 *Projects for which no matching funds are required due to financial*
36 *hardship shall meet all other eligibility criteria.*

37 *81118. Not more than 5 percent of the funds made available*
38 *pursuant to this chapter to each administering agency may be*
39 *expended for administrative purposes.*

40

CHAPTER 21. MISCELLANEOUS

81120. (a) Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the adoption or revision of regulations, guidelines, or criteria to implement this division.

(b) The adoption or revision of regulations, guidelines, or criteria, as necessary to implement this division, shall be accomplished by means of a public process reasonably calculated to provide interested parties an opportunity to be heard.

81121. It is the intent of the Legislature that the allocation of grants and loans pursuant to this division be balanced and as geographically diverse as feasible. It is also the intent of the Legislature that projects and programs funded pursuant to this division shall meet all established eligibility criteria.

81122. The secretary, commencing on January 1, 2006, and annually thereafter, shall post on his or her agency's Web site an annual report that includes the following information:

(a) Descriptions of the programs, projects, and applicants that have been awarded grants during the previous fiscal year, the geographical location of those programs and projects, and the amount of funds allocated per program or project.

(b) Descriptions of the programs, projects, and applicants that have been awarded loans during the previous fiscal year, the geographical location of those programs and projects, and the amount of funds allocated per program or project.

81123. Any project that will wholly or partially assist in the fulfillment of one or more of the goals of the CALFED Bay-Delta Program shall be consistent with the CALFED Programmatic Record of Decision, dated August 28, 2000, and any amendments thereto, and shall be implemented, to the maximum extent possible, through local or regional programs.

~~81000. This division shall be known and may be cited as the Safe, Clean, and Reliable Water Supply Water Bond Act of 2004.~~

~~CHAPTER 2. DEFINITIONS~~

~~81001. Unless the context otherwise requires, the definitions set forth in this chapter govern the construction of this division.~~

~~81002. “Bay-delta” means the San Francisco Bay/Sacramento-San Joaquin Delta Estuary.~~

~~81003. “Board” means the State Water Resources Control Board.~~

~~81004. “CALFED” refers to the consortium of state and federal agencies with management and regulatory responsibilities in the bay-delta that are developing a long-term solution to water management, environmental, and other problems in the bay-delta watershed.~~

~~81004.5. “California Bay-Delta Authority” means the authority established pursuant to Section 79410.~~

~~81005. “Clean Water Act” means the federal Clean Water Act (33 U.S.C. Sec. 1251 et seq.), and any amendment thereto.~~

~~81006. “Committee” means the Safe, Clean, and Reliable Water Supply Finance Committee established by Section 81132.~~

~~81007. “Delta” means the Sacramento-San Joaquin Delta.~~

~~81008. “Department” means the Department of Water Resources.~~

~~81009. “Fund” means the Safe, Clean, and Reliable Water Supply Bond Fund established by Section 81015.~~

~~CHAPTER 3. THE SAFE, CLEAN, AND RELIABLE WATER SUPPLY BOND FUND~~

~~81015. The proceeds of bonds issued and sold pursuant to this division shall be deposited in the Safe, Clean, and Reliable Water Supply Bond Fund, which is hereby established in the State Treasury.~~

~~CHAPTER 4. SAFE DRINKING WATER PROGRAM~~

~~Article 1. Definitions~~

~~81016. Unless the context otherwise requires, the following definitions govern the construction of this chapter:~~

~~(a) “Federal act” means the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.), and any amendment thereto.~~

~~(b) “State department” means the State Department of Health Services.~~

1 ~~(c) “Supplier” means any person, partnership, corporation,~~
2 ~~association, public agency, or other entity, including, but not~~
3 ~~limited to, any Indian tribe having a federally recognized~~
4 ~~governing body carrying out substantial governmental duties in~~
5 ~~and powers over any area, that owns or operates a public water~~
6 ~~system.~~

7
8 ~~Article 2. — Safe Drinking Water State Revolving Fund~~
9

10 ~~81017. The sum of one hundred fifty million dollars~~
11 ~~(\$150,000,000) is hereby transferred from the fund to the Safe~~
12 ~~Drinking Water State Revolving Fund established by Section~~
13 ~~116760.30 of the Health and Safety Code.~~

14 ~~81018. The money transferred to the Safe Drinking Water~~
15 ~~State Revolving Fund pursuant to Section 81017 shall be expended~~
16 ~~by the state department for loans and grants to suppliers for the~~
17 ~~purposes of undertaking infrastructure improvements and related~~
18 ~~actions to meet safe drinking water standards, in accordance with~~
19 ~~the Safe Drinking Water State Revolving Fund Law of 1997~~
20 ~~(Chapter 4.5 (commencing with Section 116760) of Part 12 of~~
21 ~~Division 104 of the Health and Safety Code).~~

22
23 ~~Article 3. — Water Pollution Prevention and Control Program~~
24

25 ~~81019. (a) The sum of fifty million dollars (\$50,000,000) is~~
26 ~~hereby transferred from the fund to the Contaminant Removal~~
27 ~~Program Account, which is hereby established in the fund.~~

28 ~~(b) The state department shall expend the money in the~~
29 ~~Contaminant Removal Program Account, upon appropriation by~~
30 ~~the Legislature to the state department, for the purposes of~~
31 ~~providing grants and low-interest loans for pilot projects and~~
32 ~~demonstration projects for drinking water disinfection using~~
33 ~~ultraviolet technology and ozone treatment, and for treatment and~~
34 ~~removal of any of the following contaminants:~~

35 ~~(1) Petroleum products, such as MTBE and BTEX.~~

36 ~~(2) N-Nitrosodimethylamine (NDMA).~~

37 ~~(3) Perchlorate.~~

38 ~~(4) Radionuclides, such as radon, uranium, and radium.~~

39 ~~(5) Pesticides.~~

40 ~~(6) Heavy metals, such as arsenic, mercury, and chromium.~~

~~(7) Pharmaceuticals and endocrine disrupters.~~

~~(8) Biological pathogens.~~

~~81020. (a) The sum of five hundred million dollars (\$500,000,000) is hereby transferred from the fund to the Arsenic Reduction and Removal Account, which is hereby established in the fund.~~

~~(b) The money in the Arsenic Reduction and Removal Account, upon appropriation by the Legislature to the state department, shall be expended by the state department for the purpose of providing grants and low-interest loans to local public agencies for developing and implementing domestic water supply treatment projects necessary to comply with Part 9 (commencing with Section 9.1), Part 141 (commencing with Section 141.1), and Part 142 (commencing with Section 142.1) of Title 40 of the Code of Federal Regulations.~~

~~81021. Not more than 5 percent of the funds made available pursuant to this article may be expended for administrative purposes.~~

~~81022. (a) The state department may adopt regulations that establish eligibility criteria for grants and loans awarded pursuant to this article.~~

~~(b) For the purposes of awarding grants pursuant to this chapter, the state department may require matching funds from nonstate sources. Matching funds may include in-kind services. The requirement for matching funds may be waived if the state department determines that there is financial hardship. Projects for which no matching funds are required due to financial hardship shall meet all other eligibility criteria.~~

~~81023. The sum of ten million dollars (\$10,000,000) is hereby transferred from the fund to the Emergency Clean Water Grant Fund established pursuant to Section 116475 of the Health and Safety Code for the purposes of that section.~~

CHAPTER 5. POLLUTION CONTROL PROGRAM

~~81030. (a) The sum of sixty million dollars (\$60,000,000) is hereby transferred from the fund to the Salinity Management Program Account, which is hereby established in the fund.~~

~~(b) The board, upon appropriation by the Legislature to the board, shall expend the money in the Salinity Management~~

~~Account for grants and low-interest loans for the purposes of treating or eliminating runoff and other impacts from irrigation of drainage-impacted agricultural lands, for the acquisition of those lands, treatment and subsurface agricultural runoff and drain water, and other appropriate measures necessary to enhance water supply reliability or improve environmental quality.~~

~~81031.—(a) The sum of sixty million dollars (\$60,000,000) is hereby transferred from the fund to the Animal Nutrients Account, which is hereby established in the fund.~~

~~(b) The board, upon appropriation by the Legislature to the board, shall expend the money in the Animal Nutrients Account, after consultation with the Department of Food and Agriculture, for low-interest loans, not to exceed _____ dollars (\$_____) per loan, to finance the construction of projects designed to manage animal nutrients from animal feeding operations, and for grants to local public agencies to administer local grant and loan programs to public, private, and nonprofit entities to assist in projects or programs that mitigate the impact of animal feeding operations within their jurisdictions. These funds may also be used for the preparation of the related environmental reviews that may be necessary under the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for approval of the projects.~~

~~81031.5.—(a) The sum of sixty million dollars (\$60,000,000), upon appropriation by the Legislature from the fund to the board, shall be expended by the board for grants to municipalities or nonprofit organizations for the purposes of this section.~~

~~(b) The purposes of this section are to provide funds to improve agricultural water quality through monitoring, demonstration projects, research, construction for corrective actions, and to provide matching funds for federal grant programs.~~

~~(c) For the purposes of this section, “nonprofit organization” means any California corporation organized under Section 501(c)(3) or 501(c)(5) of the Internal Revenue Code.~~

~~(d) Grants may be awarded to meet requirements for nonfederal matching funds set forth in Section 205(j) of the Clean Water Act (33 U.S.C. Sec. 1285(j)) or Section 319(h) of the Clean Water Act (33 U.S.C. Sec. 1329(h)).~~

~~81032. — Not more than 5 percent of the funds made available pursuant to this chapter may be expended for administrative purposes.~~

~~81032.5. — The board may adopt regulations that establish eligibility criteria for grants and loans awarded pursuant to this chapter.~~

~~81033. — For the purposes of awarding grants pursuant to this chapter, the board may require matching funds from nonstate sources. Matching funds may include in-kind services. The requirements for matching funds may be waived if the board determines that there is financial hardship. Projects for which no matching funds are required due to financial hardship shall meet all other eligibility criteria.~~

~~CHAPTER 6. — CLEAN WATER PROGRAM~~

~~Article 1. — Clean Water Program Account~~

~~81035. — For the purposes of this chapter, “account” means the Clean Water Program Account established by Section 81036.~~

~~81036. — The Clean Water Program Account is hereby established in the fund. The sum of _____ dollars (\$_____) is hereby transferred from the fund to the account.~~

~~Article 2. — Definitions~~

~~81037. — Unless the context otherwise requires, the following definitions govern the construction of this chapter:~~

~~(a) “Eligible project” means a project or activity described in paragraph (1), (2), (3), or (4) of subdivision (a) of Section 13480 that is all of the following:~~

~~(1) Necessary to prevent water pollution, reclaim water, or improve water quality.~~

~~(2) Eligible for funds from the State Revolving Fund Loan Subaccount established by subdivision (a) of Section 79121 or federal assistance.~~

~~(3) Certified by the board as entitled to priority over other eligible projects.~~

~~(4) Complies with applicable water quality standards, policies, and plans.~~

1 ~~(b) “Federal assistance” means money provided to a~~
2 ~~municipality, either directly or through allocation by the state,~~
3 ~~from the federal government to construct eligible projects~~
4 ~~pursuant to the Clean Water Act.~~

5 ~~(c) “Municipality” has the same meaning as defined in Section~~
6 ~~1362 of the Clean Water Act and also includes the state and local~~
7 ~~public agencies.~~

8 ~~(d) “Small community” means a municipality with a~~
9 ~~population of 20,000 persons or less, or a reasonably isolated and~~
10 ~~divisible segment of a larger municipality where the segment of~~
11 ~~the population is 20,000 persons or less, with financial hardship as~~
12 ~~determined by the board.~~

13 ~~(e) “Treatment works” has the same meaning as defined in the~~
14 ~~Clean Water Act.~~

15
16 ~~Article 3.—State Revolving Fund Loan Program~~
17

18 ~~81038. The sum of one hundred fifty million dollars~~
19 ~~(\$150,000,000) is hereby transferred from the account to the State~~
20 ~~Revolving Fund Loan Subaccount established by subdivision (a)~~
21 ~~of Section 79121 and, notwithstanding Section 13340 of the~~
22 ~~Government Code, is hereby continuously appropriated, without~~
23 ~~regard to fiscal years, to the board for the purpose of providing~~
24 ~~loans pursuant to the Clean Water Act, to aid in the construction~~
25 ~~or implementation of eligible projects.~~

26 ~~81039. Not more than 5 percent of the funds made available~~
27 ~~pursuant to this article may be expended for administrative~~
28 ~~purposes.~~

29
30 ~~Article 4.—Small Communities Grant Program~~
31

32 ~~81040. The sum of one hundred million dollars~~
33 ~~(\$100,000,000) is hereby transferred from the account to the Small~~
34 ~~Communities Grant Subaccount established by subdivision (b) of~~
35 ~~Section 79121 and, notwithstanding Section 13340 of the~~
36 ~~Government Code, is hereby continuously appropriated, without~~
37 ~~regard to fiscal years, to the board for the purpose of providing~~
38 ~~grants by the board to small communities for construction of~~
39 ~~eligible treatment works.~~

~~81041. Not more than 5 percent of the funds made available pursuant to this article may be expended for administrative purposes.~~

~~Article 5. Water Recycling Program~~

~~81044. For the purposes of this article, “subaccount” means the Water Recycling Subaccount established by Section 81045.~~

~~81045. (a) The Water Recycling Subaccount is hereby established in the account. The sum of four hundred fifty million dollars (\$450,000,000) is hereby transferred from the account to the subaccount for the purposes of this article.~~

~~(b) Notwithstanding Section 13340 of the Government Code, _____ percent of the money in the subaccount is hereby continuously appropriated, without regard to fiscal years, to the board for low-interest loans to municipalities for the design and construction of water recycling projects in accordance with Section 81046.~~

~~(c) _____ percent of the money in the subaccount, upon appropriation by the Legislature to the board, shall be expended by the board as follows:~~

~~(1) For grants and low-interest loans to municipalities for the design and construction of water recycling projects in accordance with Section 81046.~~

~~(2) For plans, surveys, research, development, and studies, undertaken by contract or otherwise, necessary or desirable to carry out this article, and recommendations with regard thereto, including the preparation of comprehensive statewide or areawide studies and reports on the collection, treatment, and disposal of waste and wastewater recycling. For the purposes of this paragraph, “research” may include the design, acquisition, installation, or construction of monitoring and testing equipment and related facilities. At least one-half of 1 percent, but not more than 1 percent, of the total amount made available pursuant to this subdivision shall be expended for the purposes of this paragraph.~~

~~(d) Funding for grants for the purposes of paragraph (1) of subdivision (c) shall be limited to 30 percent of eligible costs, up to _____ dollars (\$_____) per project.~~

~~81046. The board may enter into agreements with municipalities for loans and grants for projects to recycle water in~~

1 accordance with this article. Criteria to be considered by the board
2 in determining whether to enter into an agreement under this
3 article shall include, but are not limited to, all of the following:

4 (a) (1) Whether the project is a cost effective means to meet the
5 state or local water supply needs, when compared to other sources
6 of water supply that may be available to the municipality.

7 (2) Notwithstanding paragraph (1), the cost effectiveness of a
8 project when compared to other sources of state or local water
9 supply may not be the sole factor in determining whether to enter
10 into an agreement.

11 (b) Whether the project will augment state or regional water
12 supplies consistent with, or otherwise will be consistent with,
13 criteria set forth in the water recycling construction program
14 priority list adopted by the board to implement the Costa Machado
15 Water Act of 2000 (Division 26 (commencing with Section
16 79000)).

17 (c) The amount of funding that the municipality is requesting
18 under this article.

19 81047. — An agreement entered into pursuant to Section 81046
20 may include those provisions determined by the board to be
21 necessary for the purposes of this article.

22 81048. — Not more than 5 percent of the funds made available
23 pursuant to this article may be expended for administrative
24 purposes.

25 Article 6. — Watershed Protection Program

26
27 81058. — The sum of one hundred million dollars
28 (\$100,000,000) is hereby transferred from the account to the
29 Watershed Protection Subaccount established by subdivision (a)
30 of Section 79075. These funds, upon appropriation by the
31 Legislature to the board, shall be expended by the board for grants
32 to municipalities or nonprofit organizations for the purposes of
33 Article 2 (commencing with Section 79075) of Chapter 6 of
34 Division 26 in accordance with this article.

35 81059. — (a) Notwithstanding Section 79079.5, each of the
36 state's hydrologic regions shall receive a minimum amount of 6.66
37 percent of the total amount of funding made available pursuant to
38 Section 81058.
39

~~(b) Any funds appropriated pursuant to this article that exceed the minimum amount described in subdivision (a) shall be allocated in accordance with subdivision (b) of Section 81062.~~

~~(c) Funds allocated to one hydrologic region may not be transferred to another hydrologic region.~~

~~81061. Grants may be awarded by the board under this article only to an eligible entity that has a local watershed group assisting that entity. The board may not award grants for implementation projects unless there is a completed local watershed plan and the implementation projects are consistent with the local watershed plan and the county's general and specific plans.~~

~~81062. (a) Subject to subdivision (b), grants awarded pursuant to this article do not require local matching funds and the absence of local matching funds may not be used by the board as criteria for grading, or evaluating, applicants for funding under this article.~~

~~(b) Grants awarded for actions within a hydrologic region that exceed the minimum amount of funding available under subdivision (a) of Section 81059 are subject to a 25-percent match of the total cost of the projects described in the application from funds from any other source.~~

~~CHAPTER 7. OCEAN AND BRACKISH WATER DESALINATION PROGRAM~~

~~81064. For the purposes of this chapter, "account" means the Desalination Development Account.~~

~~81065. The Desalination Development Account is hereby established in the fund. The sum of five hundred million dollars (\$500,000,000) is hereby transferred from the fund to the account for the purposes of implementing this chapter.~~

~~81066. The money in the account, upon appropriation by the Legislature to the department, shall be expended by the department for grants and low-interest loans to local public agencies for the purpose of pilot projects, demonstration projects, or projects for pretreatment, salt removal, and brine management of a water supply, as well as research and development activities related to those purposes. The department shall expend the funds made available pursuant to this section for desalination programs for ocean water, brackish water, and agricultural drainage water.~~

1 ~~81067. Not more than 5 percent of the funds made available~~
2 ~~pursuant to this chapter may be expended for administrative~~
3 ~~purposes.~~

4 ~~81068. The department may adopt regulations that establish~~
5 ~~criteria for awarding loans and grants pursuant to this chapter.~~

6 ~~81069. For the purposes of awarding grants pursuant to this~~
7 ~~chapter, the department may require matching funds from nonstate~~
8 ~~sources. Matching funds may include in-kind services. The~~
9 ~~requirement for matching funds may be waived if the department~~
10 ~~determines that there is financial hardship. Projects for which no~~
11 ~~matching funds are due to financial hardship shall meet all other~~
12 ~~eligibility criteria.~~

13
14 ~~CHAPTER 8. INTEGRATED REGIONAL WATER MANAGEMENT~~
15 ~~PROGRAM~~
16

17 ~~81070. The sum of one billion dollars (\$1,000,000,000), upon~~
18 ~~appropriation by the Legislature from the fund to the department,~~
19 ~~shall be expended by the department for grants and low-interest~~
20 ~~loans to local public agencies for projects that are part of integrated~~
21 ~~regional water management programs.~~

22 ~~81071. Projects funded pursuant to Section 81070 shall~~
23 ~~include one or more of the following features:~~

24 ~~(a) Programs and projects for water supply reliability, water~~
25 ~~conservation, and water use efficiency.~~

26 ~~(b) Stormwater capture, storage, treatment, and management.~~

27 ~~(c) Removal of invasive nonnative plants, the creation and~~
28 ~~enhancement of wetlands, and the acquisition, protection, and~~
29 ~~restoration of open-space and watershed lands.~~

30 ~~(d) Nonpoint source pollution reduction, management, and~~
31 ~~monitoring.~~

32 ~~(e) Groundwater recharge and management projects.~~

33 ~~(f) Contaminate and salt removal through reclamation,~~
34 ~~desalting, and other treatment technologies.~~

35 ~~(g) Water banking, exchange, reclamation, and improvement~~
36 ~~of water quality, including water quality blending.~~

37 ~~(h) Planning and implementation of multipurpose flood~~
38 ~~control programs that protect property and improve water quality,~~
39 ~~stormwater capture and percolation, and protect or improve~~
40 ~~wildlife habitat.~~

~~(i) Watershed management planning and implementation.~~
~~(j) Demonstration projects to develop new drinking water treatment and distribution methods.~~

~~81072. (a) In making grants and loans under this chapter, the department shall consider projects and programs that are consistent with existing regional planning efforts, including, but not limited to, projects and programs that reduce the use of Colorado River water and mitigate impacts on the Salton Sea; implement the Sacramento Valley Water Management Agreement; implement the Westside Integrated Resources Plan; implement the regional water facilities master plan of the San Diego County Water Authority, and implement the Santa Ana Watershed Project.~~

~~(b) Each hydrologic region of the state shall receive at least 2.5 percent of the total amount appropriated to the department pursuant to Section 81070.~~

~~81073. For the purposes of awarding grants pursuant to this chapter, the department may require matching funds from nonstate sources. Matching funds may include in-kind services. The requirement for matching funds may be waived if the department determines that there is financial hardship. Projects for which no matching funds are due to financial hardship shall meet all other eligibility criteria.~~

~~CHAPTER 9. FLOOD CONTROL SUBVENTIONS AND CAPITAL OUTLAY PROGRAM~~

~~Article 1. Flood Protection Program~~

~~81074. The sum of one hundred seventy-five million dollars (\$175,000,000) is hereby transferred from the fund to the Flood Control Subventions Subaccount established by subdivision (a) of Section 79055 for expenditure by the department for the purposes of subdivision (a) of Section 79057.~~

~~81075. The funds transferred pursuant to Section 81074 shall be expended for the purpose of providing the state's share of all capital outlay projects that were authorized by the Legislature before January 1, 2001.~~

Article 2.—Floodplain Mapping Program

81078.—The sum of twenty million dollars (\$20,000,000) is hereby transferred from the fund to the Floodplain Mapping Subaccount established by subdivision (a) of Section 79033 for the purposes of Section 79033.4.

81080.—Not more than 5 percent of the funds made available pursuant to this article may be used for administrative purposes.

Article 3.—National Flood Insurance Assistance Program

81082.—(a) It is the intent of the Legislature to address the problem of soaring federal flood insurance rates by assisting local governments to meet technical requirements for participation in the National Flood Insurance Program and the National Flood Insurance Program's Community Rating System.

(b) Notwithstanding Section 13340 of the Government Code, the sum of _____ dollars (\$_____) is hereby continuously appropriated, without regard to fiscal years, from the fund to the department, as follows:

(1) Five hundred thousand dollars (\$500,000) to educate and provide technical assistance to cities and counties regarding the National Flood Insurance Program and the enrollment process.

(2) Five hundred thousand dollars (\$500,000) to educate and provide technical assistance to cities and counties currently enrolled in the National Flood Insurance Program with regard to the National Flood Insurance Program's Community Rating System and the implementation of activities creditable under that system.

Article 4.—Flood Protection Corridor Program

81084.—The sum of one hundred million dollars (\$100,000,000) is hereby transferred from the fund to the Flood Protection Corridor Subaccount established by subdivision (a) of Section 79035 for the purposes of subdivision (a) of Section 79037.

81085.—Not more than 5 percent of the funds made available pursuant to this article may be expended for administrative purposes.

1 ~~81086. For the purposes of awarding grants pursuant to this~~
2 ~~article, the department may require matching funds from nonstate~~
3 ~~sources. Matching funds may include in-kind services. The~~
4 ~~requirement for matching funds may be waived if the department~~
5 ~~determines that there is financial hardship. Projects for which no~~
6 ~~matching funds are due to financial hardship shall meet all other~~
7 ~~eligibility criteria.~~

8
9 ~~Article 5. Urban Stream Restoration Program~~

10
11 ~~81088. The sum of sixty million dollars (\$60,000,000) is~~
12 ~~hereby transferred from the fund to the Urban Stream Restoration~~
13 ~~Subaccount established by subdivision (a) of Section 79060 for the~~
14 ~~purposes of Section 79062.~~

15 ~~81089. For the purposes of awarding grants pursuant to this~~
16 ~~article, the department may require matching funds from nonstate~~
17 ~~sources. Matching funds may include in-kind services. The~~
18 ~~requirement for matching funds may be waived if the department~~
19 ~~determines that there is financial hardship. Projects for which no~~
20 ~~matching funds are due to financial hardship shall meet all other~~
21 ~~eligibility criteria.~~

22
23 ~~CHAPTER 10. GROUNDWATER STORAGE PROGRAM~~

24
25 ~~81092. The sum of three hundred million dollars~~
26 ~~(\$300,000,000) is hereby transferred from the fund to the~~
27 ~~Conjunctive Use Subaccount established by Section 79172 for the~~
28 ~~purposes of Article 2 (commencing with Section 79170) of~~
29 ~~Chapter 9 of Division 26.~~

30 ~~81093. The sum of twenty million dollars (\$20,000,000) is~~
31 ~~hereby transferred from the fund to the Local Groundwater~~
32 ~~Assistance Fund for the purposes of Part 2.78 (commencing with~~
33 ~~Section 10795) of Division 6.~~

34 ~~81093.5. For the purposes of awarding grants pursuant to this~~
35 ~~chapter, the department may require matching funds from nonstate~~
36 ~~sources. Matching funds may include in-kind services. The~~
37 ~~requirement for matching funds may be waived if the department~~
38 ~~determines that there is financial hardship. Projects for which no~~
39 ~~matching funds are due to financial hardship shall meet all other~~
40 ~~eligibility criteria.~~

1 ~~CHAPTER 11. — SURFACE WATER STORAGE PROGRAM~~

2
3 ~~81094. — For the purposes of this chapter, “account” means the~~
4 ~~Surface Water Storage Construction Account.~~

5 ~~81094.5. — The Surface Water Storage Construction Account is~~
6 ~~hereby established in the fund.~~

7 ~~81094.7. — The sum of two billion one hundred million dollars~~
8 ~~(\$2,100,000,000) is hereby transferred from the fund to the~~
9 ~~account for the purposes of this chapter.~~

10 ~~81095. — The money in the account, notwithstanding Section~~
11 ~~13340 of the Government Code, is hereby continuously~~
12 ~~appropriated, without regard to fiscal years, to the department for~~
13 ~~the purpose of constructing surface water storage facilities~~
14 ~~approved by the California Bay-Delta Authority, and included as~~
15 ~~part of the Integrated Storage Investigations conducted under the~~
16 ~~CALFED Bay-Delta Program Record of Decision dated August~~
17 ~~28, 2000, or as it may be amended.~~

18
19 ~~CHAPTER 12. — WATER CONSERVATION PROGRAM~~

20
21 ~~Article 1. — General Provisions~~

22
23 ~~81096. — For the purposes of this chapter, “account” means the~~
24 ~~Water Conservation Account.~~

25 ~~81096.5. — The Water Conservation Account is hereby~~
26 ~~established in the fund.~~

27 ~~81097. — The sum of _____ dollars (\$_____) is hereby transferred~~
28 ~~from the fund to the account for the purposes of this chapter.~~

29 ~~81098. — (a) Any loan agreement entered into pursuant to this~~
30 ~~chapter may include provisions determined to be necessary by the~~
31 ~~department.~~

32 ~~(b) Any loan agreement pursuant to this chapter shall comply~~
33 ~~with Section 79154. Any grant agreement pursuant to this chapter~~
34 ~~shall comply with Section 79155.~~

35 ~~81099. — Notwithstanding any other provision of law,~~
36 ~~regulations set forth in Chapter 2.3 (commencing with Section~~
37 ~~450.1) of Division 2 of Title 23 of the California Code of~~
38 ~~Regulations that are in effect on March 8, 2000, may be used to~~
39 ~~carry out this chapter.~~

1 ~~81099.5—For the purposes of awarding grants pursuant to this~~
2 ~~chapter, the department may require matching funds from nonstate~~
3 ~~sources. Matching funds may include in-kind services. The~~
4 ~~requirement for matching funds may be waived if the department~~
5 ~~determines that there is financial hardship. Projects for which no~~
6 ~~matching funds are due to financial hardship shall meet all other~~
7 ~~eligibility criteria.~~

8
9 Article 2.—Agricultural Water Conservation Program

10
11 ~~81100. The sum of four hundred fifty million dollars~~
12 ~~(\$450,000,000) in the account, upon appropriation by the~~
13 ~~Legislature to the department, shall be expended by the~~
14 ~~department for grants and loans to local agencies to aid in the~~
15 ~~acquisition and construction of agricultural water conservation~~
16 ~~projects in accordance with Article 3 (commencing with Section~~
17 ~~79157) of Chapter 8 of Division 26.~~

18
19 Article 3.—Urban Water Conservation Program

20
21 ~~81102. The sum of four hundred fifty million dollars~~
22 ~~(\$450,000,000) in the account, upon appropriation by the~~
23 ~~Legislature to the department, shall be expended by the~~
24 ~~department for grants and loans awarded by the department to~~
25 ~~local agencies for the purposes of funding urban water~~
26 ~~conservation projects in accordance with Article 6 (commencing~~
27 ~~with Section 79163) of Chapter 8 of Division 26.~~

28
29 CHAPTER 13.—THE CALFED BAY-DELTA PROGRAM

30
31 ~~81104. The sum of _____ dollars (\$_____) in the fund shall be~~
32 ~~available for appropriation by the Legislature to implement the~~
33 ~~CALFED Bay-Delta Program, as follows:~~

34 ~~(a) Thirty million dollars (\$30,000,000) to the department for~~
35 ~~surface water storage studies, including, but not limited to,~~
36 ~~prefeasibility, feasibility, environmental, and planning studies and~~
37 ~~for designs, land acquisition, and other preconstruction costs.~~
38 ~~Funds made available pursuant to this subdivision and not~~
39 ~~expended at the conclusion of all necessary preconstruction costs,~~

1 ~~may be expended by the department for the construction of surface~~
2 ~~water storage facilities.~~

3 ~~(b) One hundred ten million dollars (\$110,000,000) to the~~
4 ~~department for the water conveyance facilities described in~~
5 ~~subparagraph (B) of paragraph (2) of subdivision (d) of Section~~
6 ~~79190.~~

7 ~~(c) One hundred fifty million dollars (\$150,000,000) to the~~
8 ~~department for delta levee restoration. Funds expended pursuant~~
9 ~~to this subdivision are subject to Section 79050.~~

10 ~~(d) One hundred million dollars (\$100,000,000) to the~~
11 ~~Department of Fish and Game for ecosystem restoration program~~
12 ~~implementation. Of the amount made available pursuant to this~~
13 ~~subdivision, not less than _____ dollars (\$____) shall be allocated~~
14 ~~for projects that assist farmers in integrating agricultural activities~~
15 ~~with ecosystem restoration. Before selecting these projects,~~
16 ~~CALFED shall develop a safe harbor and assurances program in~~
17 ~~cooperation with the state, local public agencies, and stakeholder~~
18 ~~representatives. Under this program, CALFED shall collaborate~~
19 ~~with private landowners and local public agencies to develop~~
20 ~~cooperating landowner commitments and to implement ecosystem~~
21 ~~restoration goals.~~

22 ~~81105. Not more than 5 percent of the funds made available~~
23 ~~pursuant to this chapter may be expended for independent~~
24 ~~scientific review, monitoring, and assessment of the results or~~
25 ~~effectiveness of the project or program expenditure.~~

26 ~~81106. All projects financed pursuant to this chapter shall be~~
27 ~~consistent with the CALFED Bay-Delta Program Record of~~
28 ~~Decision dated August 28, 2000, or as it may be amended.~~

29 ~~81107. Not more than 5 percent of the funds made available~~
30 ~~pursuant to this chapter may be used for administrative costs.~~

31 ~~81108. Prior to acquiring real property for the purposes of~~
32 ~~subdivision (d) of Section 81104, the Department of Fish and~~
33 ~~Game shall determine that existing public land is not available for~~
34 ~~that purpose. In addition, the California Bay-Delta Authority shall~~
35 ~~consider the cumulative impacts on the local government and~~
36 ~~communities of transferring property into government ownership~~
37 ~~and shall mitigate those impacts.~~

38

~~CHAPTER 14. THE ENVIRONMENTAL WATER ACCOUNT PROGRAM~~

~~81110. For the purposes of this chapter, “account” means the Environmental Water Account established by Section 81111.~~

~~81111. The Environmental Water Account is hereby established in the fund. The sum of five hundred million dollars (\$500,000,000) is hereby transferred from the fund to the account.~~

~~81112. The money in the account, upon appropriation by the Legislature to the department, shall be expended by the department for the purposes, programs, and projects necessary to implement the Environmental Water Account as described in the CALFED Bay Delta Program Record of Decision dated August 28, 2000, or as it may be amended. For the purposes of acquiring water pursuant to this chapter, the department shall give priority to the acquisition of storage capacity and water rights. All water rights acquisitions purchased to implement the account shall be from willing sellers.~~

~~CHAPTER 15. FISH SCREEN ASSISTANCE PROGRAM~~

~~81113. The sum of thirty million dollars (\$30,000,000) is hereby transferred from the fund to the Fish Screen Account, which is hereby established in the fund. The Department of Fish and Game, upon appropriation by the Legislature, shall expend the money in the Fish Screen Account for fish screens in accordance with the terms of the cost sharing agreement between the United States and the State of California as required by subsection (h) of Section 3406 of the Central Valley Improvement Act or any subsequent agreements. The funds shall be expended for the payment of costs allocated to the state for the protection and restoration of fish and wildlife resources pursuant to Section 3406 of that federal act.~~

~~CHAPTER 16. WATER SYSTEM SECURITY PROGRAM~~

~~81114. Upon appropriation by the Legislature from the fund, fifty million dollars (\$50,000,000) shall be expended by the department, and fifty million dollars (\$50,000,000) shall be expended by the State Department of Health Services, for the purposes of protecting state, regional, and local drinking water~~

1 supplies and water suppliers from terrorist attack or deliberate acts
2 of contamination or destruction. Funds may be allocated for
3 monitoring and early warning systems, fencing, protective
4 structures, contamination treatment facilities, emergency
5 interconnections, communications systems, and other projects
6 designed to prevent damage to water treatment, distribution, and
7 supply facilities, to prevent disruption of drinking water
8 deliveries, and to protect drinking water supplies from intentional
9 contamination.

10 81115. (a) The administering agency shall allocate funds
11 under this chapter for implementation measures, that, in the
12 judgment of the department, are directly related to the
13 improvement of the security of the state, regional, or local water
14 system and the reduction of vulnerability of that system and its
15 customers from terrorist attacks, or intentional or deliberate acts
16 of contamination or destruction. Funds appropriated pursuant to
17 this chapter may not be expended for land or water acquisitions,
18 to acquire lands or water, or as mitigation for any environmental
19 impacts that may result from actions taken by the public agency to
20 improve security.

21 (b) At least 1 percent of the funds made available by this
22 chapter shall be expended by the administering agency for grants
23 to local public agencies in each hydrologic region of the state.

24 81116. The administering agency may adopt regulations that
25 establish eligibility criteria for grants awarded pursuant to this
26 chapter.

27 81117. For the purposes of awarding grants pursuant to this
28 chapter, the administering agency may require matching funds
29 from nonstate sources. Matching funds may include in-kind
30 services. The requirement for matching funds may be waived if the
31 administering agency determines that there is financial hardship.
32 Projects for which no matching funds are due to financial hardship
33 shall meet all other eligibility criteria.

34 81118. Not more than 5 percent of the funds made available
35 pursuant to this chapter to each administering agency may be
36 expended for administrative purposes.

37

1 ~~CHAPTER 16.5. MISCELLANEOUS~~

2
3 ~~81120. (a) Chapter 3.5 (commencing with Section 11340) of~~
4 ~~Part 1 of Division 3 of Title 2 of the Government Code does not~~
5 ~~apply to the adoption or revision of regulations, guidelines, or~~
6 ~~criteria to implement this division.~~

7 ~~(b) The adoption or revision of regulations, guidelines, or~~
8 ~~criteria, as necessary to implement this division, shall be~~
9 ~~accomplished by means of a public process reasonably calculated~~
10 ~~to provide interested parties an opportunity to be heard.~~

11
12 ~~CHAPTER 17. FISCAL PROVISIONS~~

13
14 ~~81130. Bonds in the total amount of _____ dollars (\$_____), or~~
15

16 ~~CHAPTER 22. FISCAL PROVISIONS~~

17
18 ~~81130. Bonds in the total amount of seven billion eight~~
19 ~~hundred eighty-six million dollars (\$7,886,000,000), or so much~~
20 ~~thereof as is necessary, not including the amount of any refunding~~
21 ~~bonds, or so much thereof as is necessary, may be issued and sold~~
22 ~~to provide a fund to be used for carrying out the purposes expressed~~
23 ~~in this division and to reimburse the General Obligation Bond~~
24 ~~Expense Revolving Fund pursuant to Section 16724.5 of the~~
25 ~~Government Code. The bonds, when sold, shall be and constitute~~
26 ~~a valid and binding obligation of the State of California, and the~~
27 ~~full faith and credit of the State of California is hereby pledged for~~
28 ~~the punctual payment of the principal of, and interest on, the bonds~~
29 ~~as the principal and interest become due and payable.~~

30 ~~81131. The bonds authorized by this division shall be~~
31 ~~prepared, executed, issued, sold, paid, and redeemed as provided~~
32 ~~in the State General Obligation Bond Law (Chapter 4~~
33 ~~(commencing with Section 16720) of Part 3 of Division 4 of Title~~
34 ~~2 of the Government Code), and all of the provisions of that law,~~
35 ~~except Section 16727, apply to the bonds and to this division and~~
36 ~~are hereby incorporated in this division as though set forth in full~~
37 ~~in this division.~~

38 ~~81132. (a) Solely for the purpose of authorizing the issuance~~
39 ~~and sale, pursuant to the State General Obligation Bond Law, of~~
40 ~~the bonds authorized by this division, the Safe, Clean, and Reliable~~

Water Supply Finance Committee is hereby established. For purposes of this division, the Safe, Clean, and Reliable Water Supply Finance Committee is the “committee” as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the Controller, and the Director of Finance, or their designated representatives. The ~~=====~~ *Treasurer* shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, each state agency that administers an appropriation from the fund is designated the “board.”

81133. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this division in order to carry out the actions specified in this division and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

81134. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

81135. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this division, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this division, as the principal and interest become due and payable.

(b) The sum necessary to carry out Section 81136, appropriated without regard to fiscal years.

81136. For the purposes of carrying out this division, the Director of Finance may authorize the withdrawal from the General Fund of an amount not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this division. Any amount withdrawn shall be deposited in the fund. Any money made available under

1 this section shall be returned to the General Fund from proceeds
2 received from the sale of bonds for the purpose of carrying out this
3 division.

4 81137. All money deposited in the fund that is derived from
5 premium and accrued interest on bonds sold shall be reserved in
6 the fund and shall be available for transfer to the General Fund as
7 a credit to expenditures for bond interest.

8 81138. Pursuant to Chapter 4 (commencing with Section
9 16720) of Part 3 of Division 4 of Title 2 of the Government Code,
10 the cost of bond issuance shall be paid out of the bond proceeds.
11 These costs shall be shared proportionally by each program funded
12 through this bond act.

13 81139. The agency that administers an appropriation from the
14 fund may request the Pooled Money Investment Board to make a
15 loan from the Pooled Money Investment Account, including other
16 authorized forms of interim financing that include, but are not
17 limited to, commercial paper, in accordance with Section 16312
18 of the Government Code, for the purpose of carrying out this
19 division. The amount of the request shall not exceed the amount
20 of the unsold bonds that the committee, by resolution, has
21 authorized to be sold for the purpose of carrying out this division.
22 The requesting agency shall execute any documents required by
23 the Pooled Money Investment Board to obtain and repay the loan.
24 Any amounts loaned shall be deposited in the fund to be allocated
25 by the requesting agency in accordance with this division.

26 81140. The bonds may be refunded in accordance with Article
27 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
28 Division 4 of Title 2 of the Government Code, which is a part of
29 the State General Obligation Bond Law. Approval by the voters of
30 the state for the issuance of the bonds described in this division
31 includes the approval of the issuance of any other bonds issued to
32 refund any bonds originally issued under this division or any
33 previously issued refunding bonds.

34 81141. Notwithstanding any provision of this division or the
35 State General Obligation Bond Law, if the Treasurer sells bonds
36 pursuant to this division that include a bond counsel opinion to the
37 effect that the interest on the bonds is excluded from gross income
38 for federal tax purposes, subject to designated conditions, the
39 Treasurer may maintain separate accounts for the investment of
40 bond proceeds and for the investment earnings on those proceeds.



The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or to take any other action with respect to the investment and use of those bond proceeds required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of that state.

81142. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this division are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

SEC. 2. Section 1 of this act shall become effective upon the approval by the voters of the Safe, Clean, and Reliable Water Supply ~~Water~~ Bond Act of 2004, as set forth in Section 1 of this act.

SEC. 3. Section 1 of this act shall be submitted to the voters at the ~~===~~ *November 2, 2004*, election in accordance with provisions of the Government Code and the Elections Code governing the submission of statewide measures to the voters.

SEC. 4. (a) Notwithstanding any other provision of law, all ballots at the election shall have printed thereon and in a square thereof, the words: “Safe, Clean, and Reliable Water Supply ~~Water~~ Bond Act of 2004” and in the same square under those words, the following in 8-point type: “This act provides for a bond issue of ~~===dollars (\$===)~~ *seven billion eight hundred eighty-six million dollars (\$7,886,000,000)* to provide funds for a water quality, water security, and water supply infrastructure improvement program.” Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

(b) Where voting in the election is done by means of voting machines used pursuant to law in a manner that carries out the intent of this section, the use of the voting machines and the expression of the voters’ choice by means thereof are in compliance with this section.

SEC. 5. The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

1 SEC. 6. This act is an urgency statute necessary for the
2 immediate preservation of the public peace, health, or safety
3 within the meaning of Article IV of the Constitution and shall go
4 into immediate effect. The facts constituting the necessity are:

5 In order to remedy critical drinking water, water quality, and
6 water supply problems, thereby protecting public health and
7 safety, it is necessary that this act take effect immediately.

8 _____

9 CORRECTIONS

10 Text — Pages 6, 23, and 49.

11 _____

12

